

1 jurisdiction and I don't believe that it would have done that,
2 it would have just had a single company in that case.

3 Q Well, what were the factors that you took into
4 consideration in determining whether a company created a
5 conflict of such -- conflict of interest situation and when a
6 company did not create a conflict of interest situation?

7 A When I regarded them as being different clients and
8 clients that were going to be engaged in some business for
9 which a conflict or a controversy between them might arise.
10 When I -- for example, I just can't conceive of a controver-
11 sary conflict that would arise as between Trinity Broadcasting
12 of Arizona and Trinity Broadcasting of Indiana, for example,
13 or Trinity Broadcasting Network.

14 Q Did TBN ever loan money to Trinity Broadcasting of
15 Arizona?

16 A Not -- not that I'm aware of, I mean, not that I
17 recall.

18 Q Is the composition of the board of Trinity
19 Broadcasting of Arizona identical in all respects to the
20 composition of the board of TBN?

21 A I think there may be an additional director in
22 Arizona, but there may not be, I'm not sure I know the answer
23 right now.

24 Q Well, did those factors affect in any way your
25 determination as to whether a conflict of interest situation

1 could arise between TBN and Trinity Broadcasting of Arizona?

2 A No, sir, not in that context, no.

3 Q Did you ever believe that there was a conflict of
4 interest between TBN and Trinity Broadcasting of Florida?

5 A No, sir.

6 Q Why not?

7 A The same reasons I just described.

8 Q Trinity Broadcasting of Denver?

9 A No, sir.

10 Q The same reason?

11 A Yes, sir.

12 Q And again, how were you able to distinguish between
13 your belief that a conflict existed between TBN and NMTV and
14 your belief that a conflict did not exist or could not exist
15 between TBN and Trinity Broadcasting of Arizona, for example?

16 A Well, the way in which they inter-related, I mean,
17 the -- I'm not familiar with their loan actions that go back
18 and forth between the Trinity Broadcasting Network and Trinity
19 Broadcasting of Arizona, etcetera. There is not an affilia-
20 tion agreement between Trinity Broadcasting Network and
21 Trinity Broadcasting of Arizona, there are not leases between
22 these two companies, there are none of those kind of things so
23 -- I mean, I just don't -- I didn't regard it and don't regard
24 it as being an area where I would see one being different than
25 the other for which I had controversy or thereby conflict

1 could arise.

2 Q Do you recall a period when Translator TV, Inc. had
3 on its board -- strike that. Do you recall a time when TBN
4 and Translator TV, Inc. had a common directors Jane Duff and
5 Paul Crouch?

6 A Yes.

7 Q During that period of time, would that have -- could
8 that have created a conflict of interest situation between TBN
9 and TTI?

10 A Yes, sir.

11 Q So it's your --

12 MR. SCHONMAN: The Bureau has no further question,
13 Your Honor.

14 JUDGE CHACHKIN: Let me ask you this question, I
15 don't think it's been asked you. Did you play any role in the
16 decision to replace Ms. Duff as an officer/director of TBN?

17 MR. MAY: No, sir.

18 JUDGE CHACHKIN: You were not consulted about the
19 decision to replace Ms. Duff as an officer -- as an officer
20 and director of TBN?

21 MR. MAY: I don't recall, no, sir.

22 JUDGE CHACHKIN: You were at the meeting, I believe,
23 in Bureau Exhibit 70, the annual meeting in 1984 where she's
24 shown as an officer and I believe also a director of Trinity
25 -- of all the Trinity stations.

1 MR. COHEN: What exhibit is that, Your Honor?

2 JUDGE CHACHKIN: Bureau Exhibit 70. Do you see
3 that?

4 MR. MAY: Yes, sir.

5 JUDGE CHACHKIN: She's listed as a vice president
6 and she also served as director of all these Trinity stations.

7 MR. TOPEL: I believe, Your Honor, with respect, I
8 don't think that's accurate, is it on those minutes? I
9 believe --

10 MR. SHOOK: Well, Mr. Topel, what you're thinking of
11 is the Judge's characterization of -- the Judge's characteri-
12 zation is accurate with respect to the Trinity companies
13 insofar as --

14 MR. TOPEL: Is a director?

15 MR. SHOOK: -- Mrs. Duff was a director because
16 that's what the minutes say.

17 MR. TOPEL: It -- are these the ones we discussed
18 yesterday, I'm sorry, Your Honor.

19 MR. SHOOK: Well, we've discussed a number of years
20 and the Judge right now is referring to 1984.

21 MR. TOPEL: Okay, I see that, I apologize, Your
22 Honor.

23 JUDGE CHACHKIN: All right, now you see that, 1984
24 she's listed as officer and then it says also the directors of
25 each of the com-- corporations, elected officers?

1 MR. MAY: Yes, sir.

2 JUDGE CHACHKIN: All right, now, we turn -- this is
3 1984, we turn to 91, Bureau Exhibit 91 which is the following
4 year, 1985 annual meeting which according to these minutes you
5 were present, you were present at the earlier minutes --
6 earlier annual meeting in '84 but apparently you were not
7 present in '85 but this reflects, if you look at this and Ms.
8 Duff has been removed as an officer/director of all Trinity
9 companies and she is now only shown as an officer director of
10 Translator Television, Inc., Community Educational Television,
11 Inc., Trinity Towers and Trinity Broadcasting of Ciskei and
12 Trinity Broadcasting of Nevis, Ltd. but all the domestic
13 Trinity stations she's been removed as a director and an
14 officer and you were not consulted and had no discussion with
15 Mr. Crouch or Ms. Duff concerning the removal of Ms. Duff from
16 director and an officer of all these Trinity stations, is that
17 your testimony?

18 MR. MAY: I remember that Mrs. Duff resigned and I
19 believe she did so because she felt she was somewhat over-
20 burdened with other responsibilities but I'm -- and you --

21 JUDGE CHACHKIN: How do you know that?

22 MR. MAY: Well, I mean, that's what I've been
23 informed of, but I'm --

24 JUDGE CHACHKIN: Informed by what, how were you
25 informed?

1 MR. MAY: By Mrs. Duff.

2 JUDGE CHACHKIN: When did she so inform you?

3 MR. MAY: I mean -- at or close to the time that she
4 was actually deciding to resign.

5 JUDGE CHACHKIN: You're saying the reason why she
6 was no longer a director or officer of all these Trinity
7 companies but continued to be an officer and director
8 apparently of the foreign company was solely because of she
9 was overburdened?

10 MR. MAY: That's what I understood, yes, sir.

11 JUDGE CHACHKIN: And you had no discussions with Mr.
12 Crouch or Ms. Duff as to whether it would be wise in order to
13 show separate companies now that NMTV is coming into play, to
14 have Ms. Duff removed as a director of Trinity and the
15 affiliated companies, is that your testimony?

16 MR. MAY: I don't recall that, no, sir, Your Honor.

17 JUDGE CHACHKIN: No such discussions along the line?

18 MR. MAY: Your Honor, what I recall is what I've
19 described, I believe she felt overburdened, I think she was
20 also beginning increased responsibilities regarding Community
21 Educational Television and -- for those are the reasons that I
22 understood, I mean, it --

23 JUDGE CHACHKIN: Now, did you, as counsel, did you
24 have any problem from a legal standpoint of Ms. Duff remaining
25 as a director and an officer of the Trinity stations -- of TBN

1 and affiliated Trinity stations and at the same time being a
2 director and an officer of National Minority?

3 MR. MAY: I have no problem with that, sir, in fact,
4 when the early applications were filed in '80, '81 of
5 Translator TV she was an off -- a director and an officer of
6 TBN.

7 JUDGE CHACHKIN: But didn't you testify that that
8 could affect whether or not you could claim a minority
9 preference in low-power stations, in lottery selection?

10 MR. MAY: Well, I don't recall that I said that Mrs.
11 Duff had to resign from any company having a minority
12 preference in the context to National Minority.

13 JUDGE CHACHKIN: You -- so -- and you -- it's your
14 view that if there were three directors of National Minority
15 and three directors of TBN and the two directors are common
16 that you could still claim a minority preference for low-
17 power?

18 MR. MAY: Yes, sir, I would believe that, yes, sir.

19 MR. SCHONMAN: Your Honor, are you referring to the
20 diversity preference?

21 JUDGE CHACHKIN: Well, let me first talk about
22 minority preference. That's your view, that even though you
23 have common control, sixty-six percent common control in the
24 two entities you still can claim minority preference?

25 MR. MAY: Yes, sir, I believe so.

1 JUDGE CHACHKIN: And you also can claim the
2 diversification preference, is that also your view?

3 MR. MAY: I was shown through the Bureau's exhibits
4 that that was in error because the number of directors that
5 were on Trinity Broadcasting of Florida was only three and
6 that did not permit that the diversification preference should
7 be claimed at that time so that was just frankly an error and
8 I did not even recognize it until the Bureau brought it to my
9 attention yesterday.

10 JUDGE CHACHKIN: All right, let me just ask you one
11 further question, I know -- I should note for the record that
12 I believe during the depositions you were the only one who was
13 put -- who was exempt from sequestration and I assume you
14 attended the deposition session and statement of the
15 principle, did you not?

16 MR. MAY: Most of them, yes, sir.

17 JUDGE CHACHKIN: Did you attend Ms. Duff's and Dr.
18 Crouch's?

19 MR. MAY: Yes, sir.

20 JUDGE CHACHKIN: Have you also had occasion to read
21 the depositions of TBN's principles and employees?

22 MR. MAY: Some of them, yes, sir.

23 JUDGE CHACHKIN: Did you read Ms. Duff's deposition?

24 MR. MAY: Portions of it, Your Honor.

25 JUDGE CHACHKIN: Did you read Dr. Crouch's

1 deposition?

2 MR. MAY: I believe portions of it, yes, Your Honor.

3 JUDGE CHACHKIN: And when did you read those
4 depositions?

5 MR. MAY: Shortly after the transcripts were out and
6 when we were in the process of returning the signatures to the
7 Court reporters.

8 JUDGE CHACHKIN: So that would have been approxi-
9 mately when, how long ago was that?

10 MR. MAY: I guess it would have been in the October
11 time frame.

12 JUDGE CHACHKIN: Have you examined them since that
13 time?

14 MR. MAY: No, sir, and when I say examined them,
15 Your Honor, it's in the sense that --

16 JUDGE CHACHKIN: Well, have you looked at them since
17 that time, let me put it that --

18 MR. MAY: Oh, no, no, sir, no. I've looked at my
19 deposition.

20 JUDGE CHACHKIN: I understand that. Do you have any
21 cross-examination?

22 MR. McCURDY: Yes, I do.

23 JUDGE CHACHKIN: Go ahead.

24 CROSS-EXAMINATION

25 BY MR. McCURDY:

1 Q Well, focusing in on what we've been talking about
2 here, do you -- when a corporation is owned and operated by
3 another corporation in a non-profit context, would you say
4 that that corporation is controlled by it? In other words,
5 does TBN control, let's say, TBF?

6 A Dr. Crouch and the other directors of the company
7 would essentially control it, that's how it would work.

8 Q Right, now, if there are three directors on -- we'll
9 use TBF as an example, you have two kind -- there are three
10 directors of TBF board and it's -- or I think there's four now
11 but if you have two directors that are on Trinity's board and
12 two out of the three are on TBF of Florida, for example, would
13 you say that TBN controls TBF?

14 A No, I would regard that people serve as individuals
15 on these Board of Directors and again the control position --
16 I mean, they don't have ownership as such so the only way
17 they're involved is as individuals on the Board of Directors.

18 Q Okay, so ownership does not equal control, you say?
19 Now, how does ownership play into this, I'm sorry?

20 A Well, I don't know that you -- I mean, there's no
21 such thing as a formal "ownership" of a non-profit public
22 charity.

23 Q Right.

24 A I mean, by virtue of the tax code and virtually
25 every state code you're required to hold those if you will

1 without having a pecuniary or private beneficial interest for
2 yourself in that corporation. You hold it to be a charity for
3 public, if you will.

4 Q Okay, could you turn to Bureau Exhibit 17, please?

5 A Yes, sir.

6 Q Now, this is an application filed by the Gammon and
7 Grange and were -- are you familiar with any of this document?

8 A I was shown this application earlier in questioning
9 from Mr. Schonman.

10 MR. TOPEL: Your Honor, may I have one second off
11 the record?

12 JUDGE CHACHKIN: Let's go off the record.

13 (Off the record at 3:36 p.m. Back on the record at
14 3:37 p.m.)

15 JUDGE CHACHKIN: Back on the record.

16 BY MR. McCURDY:

17 Q To accommodate Mr. Topel and to hopefully clarify
18 things, could you turn to Bureau Exhibit 28, which is the
19 amended version of the application you just were looking at.

20 A Yes, sir, I have it.

21 Q Okay, now, I'll ask you again, are you familiar with
22 this application?

23 A Again, I -- maybe this was the one I was questioned
24 about a little earlier today because I see it has the
25 financial tie-ins here, yes.

1 Q Okay, did you have any role in preparing this
2 application?

3 A I don't recall this one specifically, I think I
4 stated earlier that there were some, at least one application
5 about this time frame, early in 1981 that I did transmit to
6 the Commission which did include very similar information
7 here, for example, the financial commitment from the Trinity
8 Broadcasting Network to TV Translator.

9 Q Now, you'll note on page 4 that Paul Crouch, Jane
10 Duff are listed as directors and David Espinoza, correct.

11 A Yes, sir.

12 Q And at that time Paul Crouch and Jane Duff were also
13 TBN directors, correct?

14 A Yes, sir.

15 Q Now, could you turn to page 3 and read Question 7?

16 A "Is the applicant corporation directly or indirectly
17 controlled by another corporation or legal entity. If the
18 answer is yes, state below the name of such other corporation
19 or legal entity and state how such control, if any, exists and
20 the extent thereof". And then there's an answer that
21 indicates --

22 Q Okay --

23 A -- no, and then it says "Trinity Broadcasting
24 Network, Inc. is associated with applicant by virtue of two
25 common officers/directors."

1 Q Now, is it your testi-- I mean, is this -- do you
2 believe this was answered correctly at the time it was filed,
3 this question?

4 A Yes, sir, I guess so.

5 Q Despite the fact that there were a common directors
6 between TBN and TTI at this time?

7 A Yes, I mean, it's disclosed that there are these two
8 common directors.

9 Q And your definition of control then -- it doesn't
10 matter -- it wouldn't matter say if all the directors were
11 common to TBN?

12 A They could have had 100 percent control but it would
13 have been a separate company and those directors would have
14 served as individuals. It would have -- I mean, the reverse
15 wouldn't have been true, I don't think for saying that TBN is
16 therefore controlled by this other company because its got the
17 same directors. Well, I think it was accurate.

18 JUDGE CHACHKIN: So if you had a commercial corpor--
19 for-profit corporation where you had the same directors for
20 the -- for both companies that you wouldn't consider that to
21 be control either, I assume.

22 MR. MAY: Not in the for-profit company, no, sir.

23 JUDGE CHACHKIN: The same directors wouldn't mean it
24 would be common control.

25 MR. MAY: No, I think in the world of for-profit,

1 it's based on the stock ownership of the company, if one
2 individual owned 100 percent of this company and then owned
3 another 100 percent of that company I think then you could say
4 they're essentially owned by the same individual but you don't
5 have the same term here, ownership in the same way, it just
6 doesn't equate.

7 BY MR. McCURDY:

8 Q Do you recall researching this question or looking
9 to other authorities when you -- when this application was
10 filled out?

11 A Not that I can recall, I think that there were a
12 number that were being prepared at this time and it seemed
13 correct to me and I think somebody else had actually prepared
14 it in the context of answering that and it may very well have
15 been that that's the way the original application was also
16 answered and it was just simply a repeat of that previous one
17 that had been prepared by another lawyer in the office.

18 Q And that would have been prepared by a lawyer in
19 your office?

20 A Well, in Gammon and Grange's office.

21 Q Um-hum, are you aware of any conversation between
22 TBN or -- strike that. Any conversation with Mr. Crouch and
23 an attorney in your office considering -- concerning this
24 control question?

25 A Not that I recall, no.

1 Q Okay, moving on -- now, you have testified that you
2 told Mr. Crouch that National Minority qualified for the
3 minority ownership exception to the multiple ownership rule,
4 correct?

5 A Yes, sir, yeah.

6 Q I mean, that's something we've been talking about
7 for a while here. Now, you have also testified that -- I
8 believe you remembered only a few conversations with Mr.
9 Crouch concerning whether this exemption could be taken,
10 correct? Or whether it was okay for him to buy the Odessa
11 station?

12 A Well, I remember having conversations with Dr.
13 Crouch about putting the date of the transaction to acquire
14 the Odessa CP, if that's what you mean.

15 Q And do you remember discussing with him this
16 specific issue of control, of whether he could -- what his
17 interests had to be or what limited his interests for him to
18 buy the Odessa permit?

19 A I recall that I -- I mean, I advised him that he met
20 the standard that was specified and that that meant for
21 purposes of a non-profit company that since the Board of
22 Directors has a majority who were minorities, that it fit in
23 this particular instance and his participation as one of those
24 directors was thus permissible and he would be permitted to
25 have this cognizable interest in this thirteenth facility.

1 Q Did Mr. Crouch request this advise in writing?

2 A No, sir.

3 Q Did he ask you what the legal basis of your opinion
4 was?

5 A He asked for my opinion and I told him my opinion
6 and in that sense I guess I told him what my legal basis was,
7 I mean --

8 Q Well, I'm asking you, did he ask you what sources
9 you based this opinion?

10 A Oh, I informed him that I had read the documents
11 that I thought were the organic or charter documents creating
12 for the first time this exception of multiple ownership rule
13 and allowing this interest and that in reviewing those I felt
14 that this was an exception which was appropriate in this
15 circumstance and that he could therefore and so could National
16 Minority file an application under that policy.

17 Q Did he ask you -- did you -- did he ask -- did he
18 inquire into what other research you conducted besides just
19 reading the rule?

20 A No, sir, I don't know that he did --

21 Q Did he ask you about your conversations with the
22 FCC?

23 A You mean during the processing of the application?

24 Q I'm -- well, I'm talking about before the -- when
25 the application was being filed, when you advised him that it

1 was okay to make this claim for the exemption.

2 A I'm confused, at the time that I -- that the
3 application was filed the conversations I had with the FCC as
4 to whether or not it was appropriate?

5 Q I'm just trying to find out what Mr. Crouch asked
6 you in regards to the basis of your understanding of the FCC
7 rule.

8 A What I've just described.

9 Q Okay.

10 JUDGE CHACHKIN: But he was quite happy to hear your
11 opinion, wasn't he since it permitted him to file for more
12 stations, didn't it?

13 MR. MAY: Well, he asked me and relied on me to do
14 so and I told him the answer so I assume --

15 JUDGE CHACHKIN: So you gave him a way out to do so
16 by stating that it was permissible, didn't you?

17 MR. MAY: Give him a way out --

18 JUDGE CHACHKIN: Yes, you gave him a vehicle by
19 which he could accomplish what he wanted to accomplish. I
20 mean, that's what he came to you for, is there a way that we
21 could get additional stations. Didn't he come to you and ask
22 you that?

23 MR. MAY: The way it came to me was, there's an
24 unbuilt construction permit that has essentially been
25 provided, can I have an interest in it.

1 JUDGE CHACHKIN: That's right.

2 MR. MAY: And I advised him according to the policy,
3 yes, sir.

4 JUDGE CHACHKIN: You advised him according to the
5 policy but you didn't look up any case law, you just looked at
6 this document and said, if you want to read it this way, then
7 you certainly can do it this way, you certainly can file and
8 you have some support for it because of that document. Isn't
9 that basically what you said to him? This is a way we can do
10 it, isn't that what you said to him?

11 MR. MAY: No, sir, I told him I felt it complied
12 with the policy, that I had reviewed the documents which
13 created for the first time this exception and that this seemed
14 appropriate.

15 JUDGE CHACHKIN: But, sir, as pointed out in the
16 policy statement, we -- the Commission has had a multiple
17 ownership rule in existence for over thirty years before these
18 rules came into effect and under these multiple ownership
19 rules has much case precedent pointing out what control is
20 with non-profit, with profit corporations. If you were really
21 interested in giving him a legal opinion, I mean, if he came
22 to you for advise and you were interested in giving him a
23 legal opinion it would seem to me the least you would do would
24 not rely solely on the language here which doesn't support
25 your opinion, by the way, but would have done some research --

1 | for over thirty research -- thirty year cases dealing with
2 | multiple ownership rules. If you were really interested in
3 | giving an opinion rather than providing him with a vehicle by
4 | which he could accomplish what he wanted to accomplish, isn't
5 | that correct?

6 | MR. MAY: No, sir, it's not, I read --

7 | JUDGE CHACHKIN: Oh, it isn't correct? Other
8 | clients have come to you for advise, haven't they?

9 | MR. MAY: Yes, sir.

10 | JUDGE CHACHKIN: And is it normally your practice if
11 | someone comes to you and asks you for advise on some matter
12 | which -- of which there's been long case precedence, is it
13 | common in your practice to give a flip opinion by reading the
14 | rule that says we can do that without doing some research into
15 | case law in that area?

16 | MR. MAY: Your Honor, I read the rule and I read the
17 | report and order, this was the specific document from which
18 | the policy sprung. This was the first time that it had ever
19 | been developed, it was the first time it was being offered for
20 | a very important reason, to create a vehicle for the
21 | minorities to be able to participate and in the context of
22 | describing minority control, it said that issue is when you
23 | have fifty percent more ownership and in the context of
24 | translating that into the world of non-profit, I regarded that
25 | to be a decision that's made when you look at the composition

1 of the Board of Directors.

2 JUDGE CHACHKIN: I question you, sir, but the rule
3 does say -- and I've gone over it with you before, the rule
4 does state that an entity having -- and the language is very
5 clear under 73.355 which has not been changed. The language
6 is very clear as you no doubt have to be aware since you've
7 been practicing law for quite a bit of time, even before this
8 I assume. And where it says here "no license" -- and I'm
9 reading from D-1, "no license for a commercial AM, FM or TV
10 broadcast station shall be granted, transfer assigned to any
11 party (including all parties under common control) if the
12 grant transfer or assignment of such license would result in
13 such party or any of its stockholders, partners, members,
14 officers or directors, directly or indirectly, owning,
15 operating or controlling or having a cognizable interest in
16 either." Now, that wasn't changed by the exemption, was it?
17 That rule remained in effect before the exemption when the
18 Commission had 7/7/7 rule and when they increased it to
19 12/12/12 and they -- included the exemption. That was still a
20 cardinal principle of the multiple ownership rules, wasn't it?

21 MR. MAY: Yes, sir.

22 JUDGE CHACHKIN: So the question of control is set
23 forth clearly in the multiple ownership rules saying that no
24 entity, no licensee and in this case, they said more than --
25 who has twelve stations could, as I read -- shall be granted

1 -- and I read you the language where they indirectly or
2 directly own, operate or control or have a cognizable interest
3 or either. That's what the rule says and it's always said
4 that --

5 MR. MAY: But it goes --

6 JUDGE CHACHKIN: -- the exemption didn't change
7 that.

8 MR. MAY: But, Your Honor, it goes on to describe
9 that for purposes of this paragraph, if you look in Subpart
10 D-3 --

11 JUDGE CHACHKIN: Yeah.

12 MR. MAY: -- for purposes of this paragraph,
13 minority control which allows you to have the fourteen is a
14 different standard as to control and ownership and it says
15 minority control means more than fifty percent owned by one of
16 more members of a minority group and the Commission has always
17 treated the principle of ownership in the context of non-
18 profit based upon the composition of the Board of Directors.

19 JUDGE CHACHKIN: Wait, wait, wait -- you seem to be
20 missing the point. I'm not arguing with you that what it says
21 there about who is eligible for the thirteenth station that
22 you -- what you have to have to have the thirteenth or
23 fourteenth station. What I'm saying to you is that the entity
24 who has the twelve stations can't directly or indirectly own,
25 operate or control that entity, that's what I'm saying to you.

1 They're two different things. That has never been changed.

2 MR. MAY: Well, that's not the way I understood it,
3 Your Honor, I understood it to mean --

4 JUDGE CHACHKIN: If you -- well, D-1 is still there,
5 they didn't take D-1 out there, did they?

6 MR. MAY: It says for purposes of this paragraph you
7 need the entire subparagraph D, minority control means more
8 than fifty percent owned by one or more members of a minority
9 group.

10 JUDGE CHACHKIN: All right, sir, and you did no
11 research, you just read this, you read that one sentence, you
12 said here's a vehicle, we could go with this, we have
13 something to hang our hat on. That's basically what you did
14 because you didn't do any research, although there were thirty
15 years or more of research as to showing that control was
16 always considered a factor in the multiple ownership rules.
17 If you really wanted to bend your opinion and someone comes to
18 you for an opinion, rather than something to justify what they
19 intend to do then presumably you would have done some
20 research.

21 MR. MAY: Your Honor, I did the research I did by
22 reading the underlying documents that created the policy. I
23 based my advise to my client on that, they relied on me,
24 looked to me to render the advise, I did render the advise and
25 they acted accordingly. Now, I've recognized before that that

1 may not be something that anybody else in this courtroom can
2 appreciate but that's what happened, that's what I did, that's
3 what occurred and that's what brings us here today and if I've
4 set in motion all of these things by result of that, that's
5 why I'm here today cause that's what I did.

6 JUDGE CHACHKIN: Do you have any further questions,
7 counsel?

8 BY MR. McCURDY:

9 Q Now, prior to starting your own firm in May of 1983
10 you worked at Gammon and Grange, correct?

11 A Yes, sir.

12 Q Okay, and Gammon and Grange handled TBN's FCC legal
13 work, correct?

14 A Yes, sir.

15 Q And you testi -- you mentioned earlier that Gammon
16 and Grange handled major change application which was filed by
17 International Panorama TV?

18 A Yes, sir.

19 Q Okay, now, could you briefly explain the
20 relationship between International Panorama TV and TBN.

21 A International Panorama TV was a company that had
22 been previous licensee of Channel 40 and it was own-- stock
23 company owned by a gentleman that had been -- sold the station
24 to Trinity. They held the stock of the company as security,
25 however, and that's why while Trinity had the right to vote it

1 in terms of security being held, the stocks certificates were
2 held in security.

3 Q Okay, but it was wholly owned by TBN, correct?

4 A Yes.

5 Q It held -- okay and TBN pretty much had control over
6 International Panorama?

7 A It owned a 100 percent of the stock of International
8 Panorama TV.

9 Q Yes, something -- okay.

10 MR. McCURDY: Your Honor, I would like to have
11 marked for identification the initial decision and the
12 application of International Panorama TV, KTBN --

13 JUDGE CHACHKIN: All right, what's the --

14 MR. McCURDY: And what's -- do you know the
15 S.A.L.A.D.'s number --

16 JUDGE CHACHKIN: I'll have to get you S.A.L.A.D.'s
17 number here, let's see -- anybody number -- know S.A.L.A.D.'s
18 last number? Let me find it --

19 MR. COHEN: I don't have it, Your Honor, I left --

20 JUDGE CHACHKIN: I should have it here, I think.

21 MR. COHEN: Do you want to mark it as a Glendale
22 exhibit just for purposes of going forward?

23 JUDGE CHACHKIN: Well, let's see, wait a minute.

24 MR. McCURDY: That would be acceptable -- I mean, I
25 have 34 -- 35, I believe.

1 JUDGE CHACHKIN: What is it?

2 MR. McCURDY: At 35 but I mean, I can't say.

3 JUDGE CHACHKIN: Well, let's make it then 36 and if
4 there's a change, I'll have a chance then we can go back to it
5 so we'll assume it's 36, give you the next number.

6 MR. McCURDY: Okay.

7 JUDGE CHACHKIN: All right, a document consisting of
8 an initial decision of Administrative Law Judge Thomas B.
9 Fitzpatrick will be marked for identification as S.A.L.A.D.
10 Exhibit 36.

11 MR. McCURDY: Thank you.

12 BY MR. McCURDY:

13 Q Now, Mr. May, how were you involved in this case?

14 JUDGE CHACHKIN: Actually the last number was 34
15 according to this, so that should be 35, unless -- at least
16 that's what my listing shows --

17 MR. McCURDY: That I believe is correct.

18 JUDGE CHACHKIN: All right, then this should be
19 marked as 35.

20 (Whereupon, the document referred to
21 as S.A.L.A.D. Exhibit No. 35 was
22 marked for identification.)

23 JUDGE CHACHKIN: Do you have a question you asked
24 him?

25 MR. McCURDY: Yes.